

J. KALAMAZOO

1. OVERVIEW

City Location & History

Kalamazoo is located on the Kalamazoo River, 51.0 miles south of Grand Rapids in the southwest region of Michigan's lower peninsula. It was settled in the 1820s, became the seat of Kalamazoo County in 1831, and was chartered as a city in 1883. The construction of the Territorial Road and various railroad lines in the second half of the 19th century allowed Kalamazoo to prosper. In the 1870s and 1880s, paper mills and pill-making machines furthered its growth. By the turn of the 20th century, stoves, lubricants, and iron products were being made. Kalamazoo experienced its most rapid population increase between 1905 and 1920. In 1937, Kalamazoo had over 150 industrial businesses. Today, Kalamazoo is home to Kalamazoo College, Western Michigan University, and Davenport University. Diverse industries and agricultural products comprise Kalamazoo's economy today. Western Michigan's Business Technology and Research Park has helped to revitalize local business activity.

Kalamazoo is located at the intersection of Interstate 94 (Battle Creek east and St. Joseph west) and U.S. Highway 131 (Grand Rapids north and Three Rivers south). In 2007 it was estimated that Kalamazoo had 71,743 people living in 28,246 households within 24.8 square miles.

Downtown Study Area Delineation & Boundaries

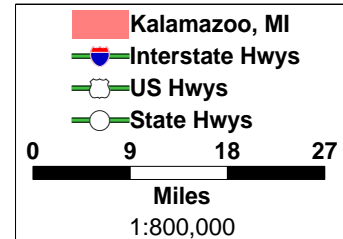
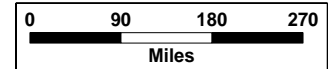
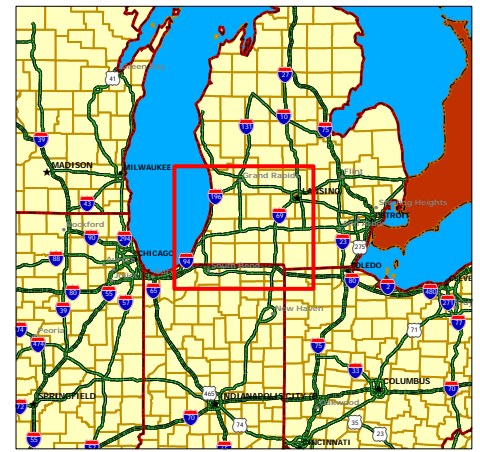
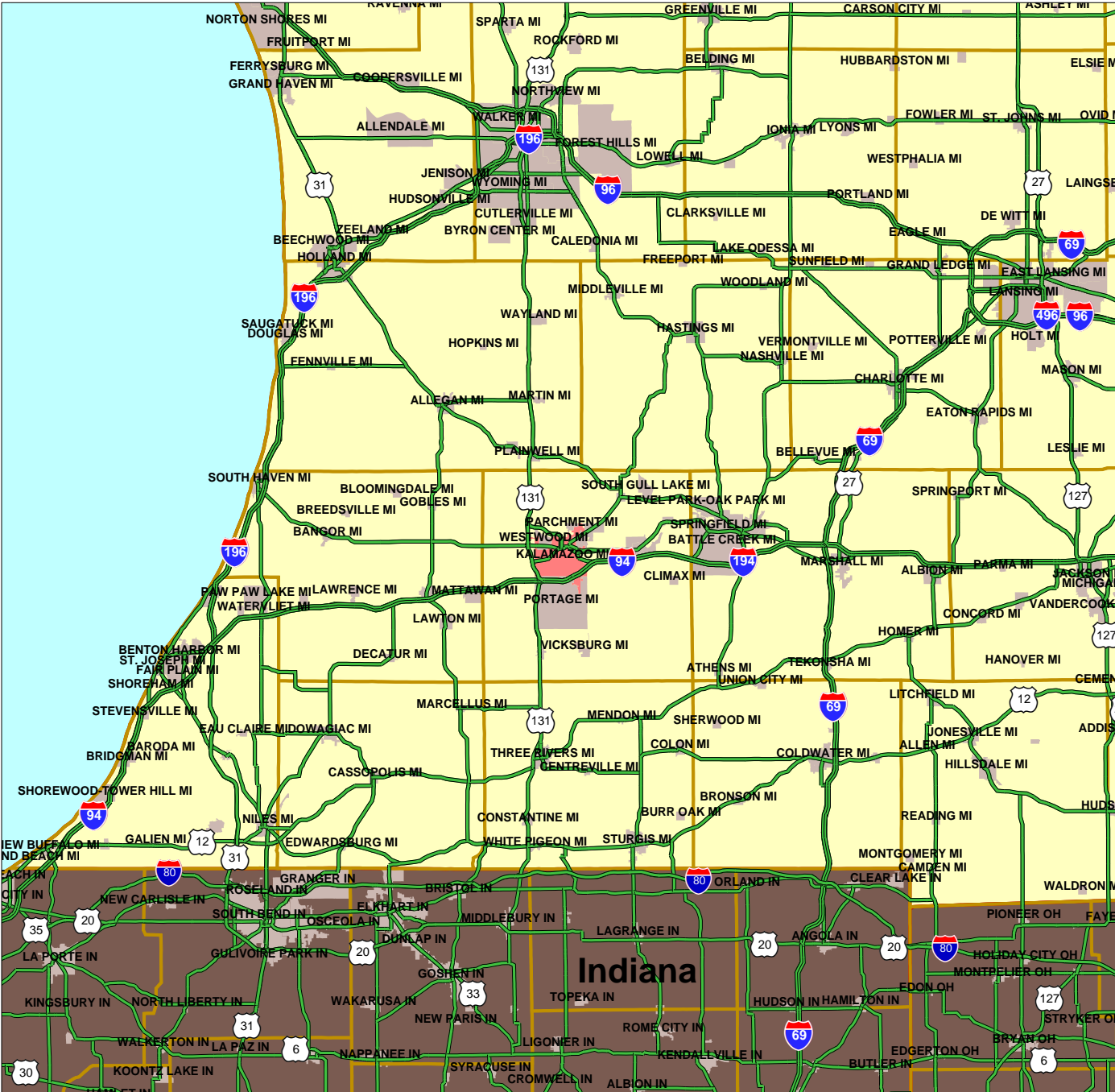
The Kalamazoo Downtown Study Area (DSA) was established after a driving tour of the inner city and consultation with city officials. The following four factors influenced the final delineation: (1) exclusion of single-family neighborhoods, (2) inclusion of the Central Business District, (3) general adherence to downtown development authority boundaries, and (4) recognition of significant natural and man-made barriers. For this study, the Kalamazoo DSA is generally described as follows:

- North boundary: Railroad Tracks
- East boundary: Portage Creek
- South boundary: Walnut Street / Cedar Street / Academy Street
- West boundary: Westnedge Avenue / Railroad Tracks

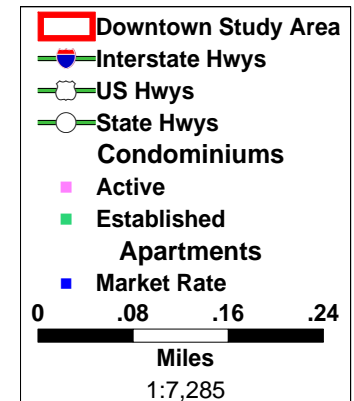
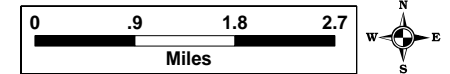
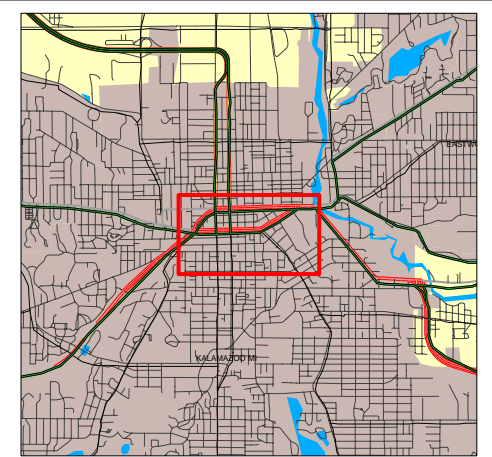
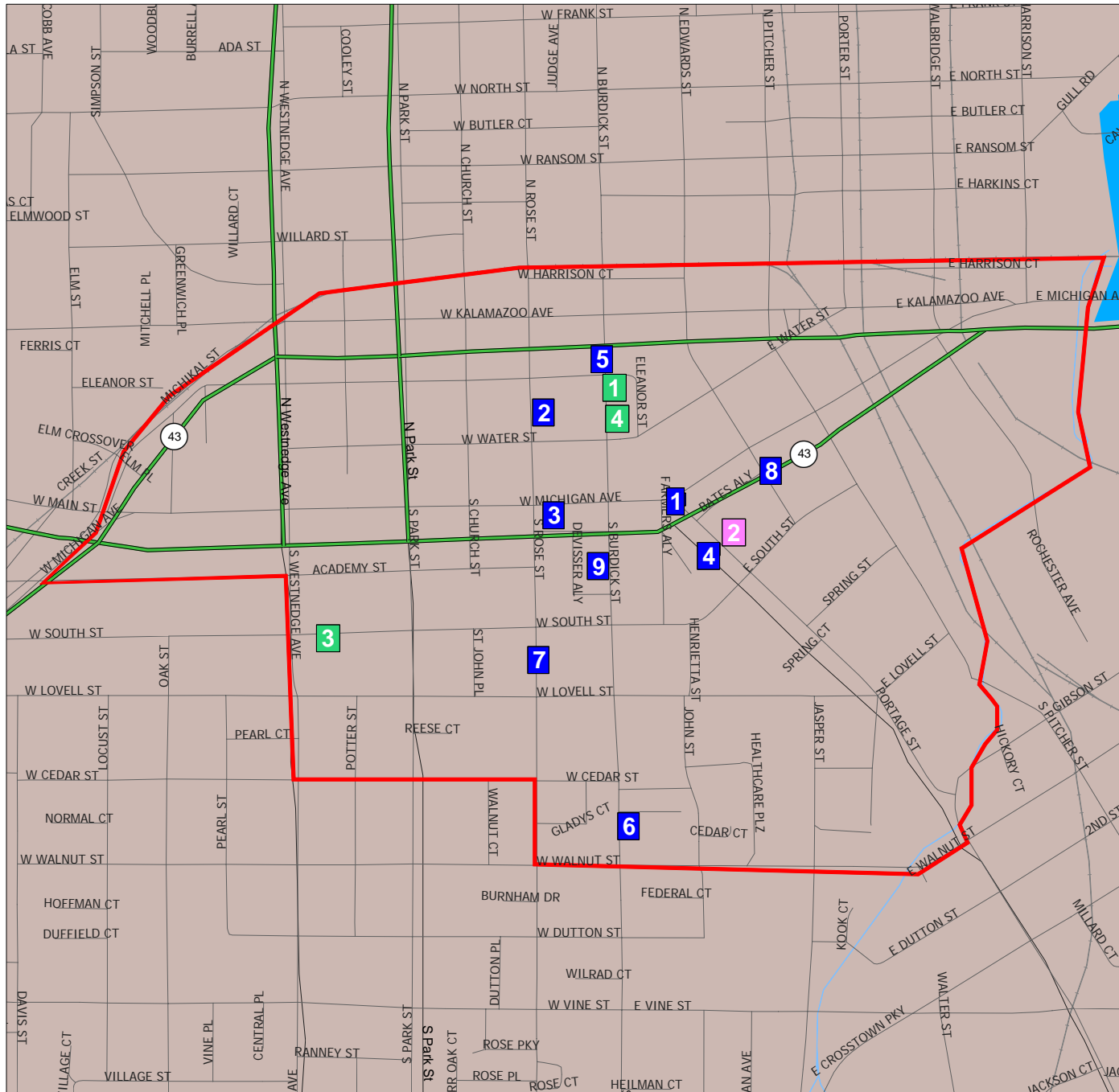
The geographic center of the DSA is the intersection of Michigan Avenue and Portage Street.

A regional map showing the location of the city within the state and a map delineating the specific boundaries of the DSA follow. On this DSA map, we have shown the location of each multi-unit property (both rental and condominium) surveyed within the Kalamazoo DSA. Map I.D. numbers for surveyed properties are identified in the Multi-Unit Housing Supply Analysis later in this section.

Kalamazoo, MI: Surrounding Region



Kalamazoo, MI: DSA Boundary with Surveyed Properties



2007 Demographic Snapshot (Estimated from 2000 Census)

The following table provides a brief demographic snapshot of key population and household characteristics for the Kalamazoo DSA and the remainder of the city:

	2007 ESTIMATE	
	DOWNTOWN STUDY AREA	REMAINDER OF KALAMAZOO
POPULATION		
NUMBER	1,072	70,671
MEDIAN AGE	34.2	28.1
GENDER		
PERCENT MALE	49.9%	48.3%
PERCENT FEMALE	50.1%	51.7%
EDUCATION (AGE 25+)		
PERCENT HIGH SCHOOL EDUCATED	50.9%	38.7%
PERCENT COLLEGE EDUCATED	49.1%	61.4%
MARTIAL STATUS (AGE 15+)		
PERCENT SINGLE	68.0%	61.1%
PERCENT MARRIED	32.0%	38.9%
HOUSEHOLDS		
NUMBER	435	27,811
PRESENCE OF CHILDREN		
PERCENT WITH CHILDREN	8.8%	30.9%
PERCENT WITHOUT CHILDREN	91.2%	69.1%
AVERAGE SIZE	1.7	2.3
TENURE		
PERCENT OWNER	10.1%	48.5%
PERCENT RENTER	89.9%	51.5%
MEDIAN INCOME	\$28,145	\$35,218

Source: 2000 Census; Claritas, Inc.

The above data and more detailed demographic information are analyzed in the following section.

2. DEMOGRAPHICS

The following information has been compiled from the U.S. Census Bureau, the U.S. Department of Housing and Urban Development, the U.S. Department of Labor, and the FBI. It has been grouped into five categories for analysis: (1) population characteristics - descriptors for individual people, (2) household characteristics - descriptors for people living together in one residence, (3) housing characteristics - descriptors for residential dwelling units, (4) crime and transportation - descriptors for crime rates and transit/commuting activities, and (5) economic and employment indicators - descriptors for business and employment activity. This information is provided for expanding geographic areas: (1) the Downtown Study Area (DSA), (2) the remainder of the DSA's city, and (3) the state of Michigan.

Population Characteristics

	DOWNTOWN STUDY AREA	REMAINDER OF KALAMAZOO	STATE OF MICHIGAN
POPULATION			
1990 CENSUS	1,044	79,799	9,295,297
2000 CENSUS	1,122	76,599	9,938,444
2007 ESTIMATED	1,072	70,671	10,159,688
2012 PROJECTED	1,048	66,735	10,268,116
PERCENT CHANGE 1990 TO 2000	7.5%	-4.0%	6.9%
PERCENT CHANGE 2000 TO 2007	-4.5%	-7.7%	2.2%
PERCENT CHANGE 2007 TO 2012	-2.2%	-5.6%	1.1%
POPULATION BY AGE 2007			
PERCENT AGE LESS THAN 18 (CHILDREN)	9.7%	20.9%	24.5%
PERCENT AGE 18 TO 34 (YOUNG ADULTS)	41.7%	39.8%	22.6%
PERCENT AGE 35 TO 54 (MIDDLE-AGED ADULTS)	27.1%	22.1%	29.2%
PERCENT AGE 55 OR MORE (SENIORS)	21.5%	17.2%	23.7%
MEDIAN AGE	34.2	28.1	37.1
POPULATION BY GENDER 2007			
PERCENT MALE	49.9%	48.3%	49.2%
PERCENT FEMALE	50.1%	51.7%	50.8%
POPULATION BY EDUCATION (AGE 25+) 2007			
PERCENT HIGH SCHOOL GRADUATES OR LESS	50.9%	38.7%	47.6%
PERCENT SOME COLLEGE	21.2%	21.9%	23.4%
PERCENT COLLEGE GRADUATES OR MORE	27.8%	39.5%	29.1%
POPULATION BY MARTIAL STATUS (AGE 15+) 2007			
PERCENT NEVER MARRIED	52.9%	45.8%	27.2%
PERCENT MARRIED	32.0%	38.9%	56.3%
PERCENT WIDOWED/DIVORCED	15.1%	15.3%	16.5%
LAND AREA, POPULATION DENSITY & DAYTIME POPULATION 2007			
LAND AREA (IN SQUARE MILES)	0.5	24.3	56,803.8
PERSONS PER SQUARE MILE	2,097.8	2,912.8	178.9
DAYTIME POPULATION	15,186	61,459	5,680,903

Source: 2000 Census; Claritas, Inc.

Noteworthy observations and trends for the Kalamazoo DSA include the following:

- The total population within the DSA increased at a similar rate to the state (7.5% versus 6.9%) from 1990 to 2000, while the remainder of the city decreased (4.0%). From 2000 to 2012, the DSA population was projected to decrease at a lower rate than the remainder of the city (6.7% versus 13.3%), while the state population was expected to increase 3.3% during this same 12-year period.
- In 2007 1,072 people resided within the DSA, representing only 1.5% of the city's total population.

- In 2007 the typical DSA resident profile was a 34 year old adult (41.7% were between 18 and 34 years of age, the largest cohort) who was only high school educated (50.9%) and unmarried (68.0%). This profile is different from the remainder of the city and the state. The percentage of children under 18 years of age within the DSA was very low at 9.7%, and the percentage of residents 35 years of age and older (48.6%) was higher than the remainder of the city (39.3%).
- In 2007 the land area within the DSA represented 2.0% of the total area within the city limits.
- In 2007 the population density within the DSA was 1.4 times sparser than the remainder of the city.

Household Characteristics

	DOWNTOWN STUDY AREA	REMAINDER OF KALAMAZOO	STATE OF MICHIGAN
HOUSEHOLDS			
1990 CENSUS	408	29,280	3,419,331
2000 CENSUS	430	29,251	3,785,661
2007 ESTIMATED	435	27,811	3,936,519
2012 PROJECTED	438	26,606	4,009,481
PERCENT CHANGE 1990 TO 2000	5.4%	-0.1%	10.7%
PERCENT CHANGE 2000 TO 2007	1.2%	-4.9%	4.0%
PERCENT CHANGE 2007 TO 2012	0.7%	-4.3%	1.9%
HOUSEHOLDS BY COMPOSITION 2007			
PERCENT SINGLE	59.3%	36.0%	27.2%
PERCENT MARRIED WITH CHILDREN	2.7%	12.9%	23.5%
PERCENT MARRIED NO CHILDREN	8.7%	18.0%	28.7%
PERCENT SINGLE PARENT	6.1%	18.0%	16.0%
PERCENT OTHER	23.3%	15.2%	4.7%
AVERAGE HOUSEHOLD SIZE 2007	1.7	2.3	2.5
HOUSEHOLDS BY TENURE 2007			
PERCENT OWNER	10.1%	48.5%	74.5%
PERCENT RENTER	89.9%	51.5%	25.5%
MEDIAN HOUSEHOLD INCOME 2007	\$28,145	\$35,218	\$50,319
HOUSEHOLDS BY PRIZM NE LIFESTAGE CLASSES & GROUPS 2007*			
PERCENT YOUNGER YEARS CLASS	60.1%	57.1%	32.7%
PERCENT <i>MIDLIFE SUCCESS</i> GROUP	6.4%	10.2%	15.4%
PERCENT <i>YOUNG ACHIEVERS</i> GROUP	27.2%	15.5%	6.8%
PERCENT <i>STRIVING SINGLES</i> GROUP	26.6%	31.5%	10.5%
PERCENT FAMILY LIFE CLASS	2.6%	16.5%	30.6%
PERCENT <i>ACCUMULATED WEALTH</i> GROUP	0.0%	0.4%	4.0%
PERCENT <i>YOUNG ACCUMULATORS</i> GROUP	0.4%	2.4%	8.4%
PERCENT <i>MAINSTREAM FAMILIES</i> GROUP	1.2%	8.2%	14.7%
PERCENT <i>SUSTAINING FAMILIES</i> GROUP	1.1%	5.6%	3.6%
PERCENT MATURE YEARS CLASS	37.3%	26.4%	36.7%
PERCENT <i>AFFLUENT EMPTY NESTS</i> GROUP	4.0%	3.1%	6.1%
PERCENT <i>CONSERVATIVE CLASSICS</i> GROUP	5.1%	6.7%	10.7%
PERCENT <i>CAUTIOUS COUPLES</i> GROUP	0.2%	10.1%	11.6%
PERCENT <i>SUSTAINING SENIORS</i> GROUP	27.9%	6.5%	8.4%

Source: 2000 Census; Claritas, Inc.

*See Addendum A for Lifestage Class & Group definitions.

Noteworthy observations and trends from the above table for the Kalamazoo DSA include the following:

- The total number of households within the DSA increased 5.4% from 1990 to 2000, while the remainder of the city decreased slightly by 0.1%. State households increased at a higher rate (10.7%) during the same period. From 2000 to 2012, it was projected that household formation within the DSA would increase slower than the state (1.9% versus 5.9%), while the remainder of the city would decrease (9.2%).

- In 2007 435 households resided within the DSA, representing only 1.5% of the city's total households.
- In 2007 the typical DSA household profile was a single adult (65.4%) with no children (68.0%) earning \$28,145 a year (median income) and renting their residence (89.9%). This profile is quite different from the remainder of the city and the state. Percentages of DSA households with children (8.8%) and married adults (17.4%) were well below the remainder of the city (54.0% and 30.9%) and the state (39.5% and 52.2%).
- In 2007 the average household size within the DSA (1.7 people) was smaller than the remainder of the city (2.3) and the state (2.5).
- In 2007 the percent of renter households within the DSA (89.9%) was much higher than the remainder of the city (51.5%) and the state (25.5%).
- In 2007 the median income within the DSA (\$28,145) was well below the remainder of the city (\$35,218) and the state (\$50,319).
- *Claritas, Inc. Prizm NE Lifestage* data for 2007 (estimated) was used to determine DSA resident profiles. Residents were classified in three main Lifestage classes: Younger Years, Family Life, and Mature Years. The largest Lifestage class within the DSA was *Younger Years* at 60.1% of all households, while the two largest Lifestage groups were *Sustaining Seniors* (27.9%) and *Young Achievers* (27.2%). The largest Lifestage class in the remainder of the city was *Younger Years* at 57.1% of all households, while the two largest Lifestage groups were *Striving Singles* (31.5%) and *Young Achievers* (15.5%). The largest Lifestage class in the state was *Mature Years* at 36.7% of all households, while the two largest Lifestage groups were *Midlife Success* (15.4%) and *Mainstream Families* (14.7%). The DSA Lifestage classes and groups are different from the remainder of the city and the state as a whole. This indicates that household composition within the DSA is different from the remainder of the city and the state. DSA households are younger, smaller, mostly childless, lower income, and mostly renters.

Housing Characteristics

	DOWNTOWN STUDY AREA	REMAINDER OF KALAMAZOO	STATE OF MICHIGAN
HOUSING UNITS 2000			
PERCENT OCCUPIED	90.5%	92.6%	89.4%
PERCENT VACANT	9.5%	7.4%	10.6%
TOTAL	475	31,599	4,234,279
HOUSING UNITS 2007			
PERCENT OCCUPIED	86.8%	89.6%	87.8%
PERCENT VACANT	13.2%	10.4%	12.2%
TOTAL	501	31,023	4,482,194
HOUSING UNITS 2012			
PERCENT OCCUPIED	83.4%	86.7%	86.2%
PERCENT VACANT	16.6%	13.3%	13.8%
TOTAL	525	30,682	4,652,213
HOUSING PAYMENTS GREATER THAN 30% OF INCOME BY TENURE 2000			
PERCENT OWNER-OCCUPIED UNITS	16.7%	16.5%	17.8%
PERCENT RENTER-OCCUPIED UNITS	38.4%	47.9%	37.6%
AVERAGE MONTHLY OWNER HOUSING PAYMENT 2000	\$1,165	\$729	\$1,037
AVERAGE MONTHLY RENTER HOUSING PAYMENT 2000	\$451	\$555	\$578
AVERAGE NUMBER OF ROOMS PER OCCUPIED HOUSING UNIT 2000	4	5.2	5.7
AVERAGE NUMBER OF BEDROOMS PER OCCUPIED HOUSING UNIT 2000	1.9	2.2	2.3
YEAR BUILT; OWNER-OCCUPIED UNITS (2000)			
PERCENT 1990 TO MARCH 2000	7.0%	2.8%	16.0%
PERCENT 1980 TO 1989	2.3%	3.5%	9.7%
PERCENT 1979 OR EARLIER	90.7%	93.7%	74.3%
YEAR BUILT; RENTER-OCCUPIED UNITS (2000)			
PERCENT 1990 TO MARCH 2000	0.0%	9.8%	10.2%
PERCENT 1980 TO 1989	29.5%	13.8%	13.0%
PERCENT 1979 OR EARLIER	70.5%	76.4%	76.8%
HOUSING UNITS BY STRUCTURE TYPE 2000			
PERCENT SINGLE FAMILY	10.1%	54.0%	74.5%
PERCENT 2 TO 19 UNITS IN A BUILDING	53.9%	29.8%	13.7%
PERCENT 20 TO 49 UNITS IN A BUILDING	6.7%	8.2%	2.2%
PERCENT 50 OR MORE UNITS IN A BUILDING	28.4%	5.6%	3.0%
PERCENT OTHER	0.8%	2.5%	6.7%
MEDIAN HOME VALUE 2000	\$115,323	\$80,387	\$110,857
MEDIAN HOME VALUE 2007	\$163,636	\$102,386	\$145,613
MEDIAN HOME VALUE 2012	\$170,000	\$111,892	\$158,803
AVERAGE RESIDENCY LENGTH; OWNER-OCCUPIED UNITS	3.0	8.0	11.0
ANNUAL TURNOVER; OWNER-OCCUPIED UNITS (2000)	31.6%	8.8%	7.7%
ANNUAL TURNOVER; RENTER-OCCUPIED UNITS (2000)	46.1%	42.7%	31.6%

Source: 2000 Census; Claritas, Inc.

Noteworthy observations and trends for the Kalamazoo DSA include the following:

- From 2000 to 2012, the total number of housing units in the DSA was projected to increase 10.5%, while the remainder of the city was expected to decrease 2.9%. State household formation was projected to increase 9.9% during this same period.
- While the total number of housing units in the DSA was projected to increase from 2000 to 2012, the vacancy rate was projected to increase as well from 9.5% to 16.6%, a 74.7% increase. This increasing vacancy rate was projected to hold true for the remainder of the city and the state, however, at differing rates.
- In 2007 there were 501 housing units within the DSA, representing only 1.6% of the city's total housing units. Of all the DSA housing units, 13.2% were estimated to be vacant.
- In 2000 38.4% of the renter-occupied units within the DSA paid more than 30% of their gross income for housing. This is a lower percentage than the remainder of the city (47.9%), but similar to the state (37.6%).
- In 2000 owner-occupied units within the DSA paid an average of \$1,165 per month for housing, which was much more than the remainder of the city (\$729) and more than the state (\$1,037). Renter-occupied units within the DSA paid an average of \$451 per month for housing, which was less than the remainder of the city (\$555) and the state (\$578).
- In 2000 the average number of total rooms (4) and bedrooms (1.9) per DSA housing unit were less than the remainder of the city (5.2 and 2.2) and the state (5.7 and 2.3). This indicates that housing units within the DSA were smaller than those found in the rest of the city and the state.
- In 2000 89.0% of all housing units within the DSA were in multi-unit buildings. This percentage is much higher than the remainder of the city (43.6%) and the state (18.9%). Conversely, only 10.1% of all housing units in the DSA were single-unit/single-family structures.
- Although the median home value within the DSA was projected to increase at a similar rate to the remainder of the city and the state from 2000 to 2012 (47.4% versus 39.2% and 43.3%), the actual values were projected to be higher than the remainder of the city and the state.

- The average residency length of owner-occupied units within the DSA (three years) is much shorter than the remainder of the city (eight years) and the state (11 years). Annual turnover rates within the DSA for renter-occupied and owner-occupied units are higher than the remainder of the city and the state.

Crime & Transportation

	DOWNTOWN STUDY AREA	REMAINDER OF KALAMAZOO	STATE OF MICHIGAN
CRIME INDEX 2007*			
<i>PERSONAL CRIME</i>	139	114	94
<i>PROPERTY CRIME</i>	324	230	115
WORKER COMMUTE BY MODE (AGE 16+) 2007			
PERCENT DRIVE ALONE	59.0%	74.9%	83.5%
PERCENT CARPOOL	9.7%	11.1%	9.6%
PERCENT PUBLIC TRANSIT	8.1%	3.1%	1.2%
PERCENT WALK	15.9%	6.7%	2.2%
PERCENT MOTORCYCLE / BICYCLE	1.2%	0.5%	0.2%
PERCENT OTHER MEANS	0.0%	0.6%	0.5%
PERCENT WORK AT HOME	6.0%	3.1%	2.9%
TOTAL WORKERS	484	33,039	4,777,007
AVERAGE WORKER COMMUTE TIME IN MINUTES (AGE 16+) 2007	18.5	19.4	26.2
AVERAGE NUMBER OF VEHICLES PER HOUSEHOLD BY TENURE 2007			
OWNER HOUSEHOLDS	1.2	1.5	1.8
RENTER HOUSEHOLDS	2.0	1.7	2.0
ALL HOUSEHOLDS	1.2	1.3	1.2

Source: 2000 Census; Claritas, Inc.; Applied Geographic Solutions; VWB Research

*Based on a par value of 100

Noteworthy observations and trends for the Kalamazoo DSA include the following:

- In 2007 personal crime indices within the DSA were higher than the remainder of the city, the state, and the nation. Property crime indices within the DSA were estimated to be much higher than the remainder of the city, state, and national averages.
- In 2007 the adult workers within the DSA used a car less often to commute than did the adult workers in the remainder of the city and the state (68.7% versus 86.0% and 93.1%); 15.9% walked to work, and 8.1% used public transit.
- In 2007 adult workers within the DSA had shorter commute times (18.5 minutes) than those in the remainder of the city (19.4) and the state (26.2).

- In 2007 households within the DSA had the same number of vehicles as those in the remainder of the city and the state (1.2 versus 1.3 and 1.2).

Economic & Employment Indicators

	DOWNTOWN STUDY AREA	REMAINDER OF KALAMAZOO	STATE OF MICHIGAN
EMPLOYMENT SHARE BY INDUSTRY 2007			
AGRICULTURE & NATURAL RESOURCES	0.1%	0.5%	1.1%
MINING	0.1%	0.0%	0.1%
CONSTRUCTION	0.8%	2.3%	4.3%
MANUFACTURING	4.0%	21.4%	14.7%
TRANSPORTATION & UTILITIES	1.4%	4.3%	4.1%
WHOLESALE TRADE	0.8%	2.5%	4.3%
RETAIL TRADE	7.1%	12.3%	19.4%
F.I.R.E.	7.3%	3.5%	5.9%
SERVICES	70.5%	46.9%	39.9%
GOVERNMENT	7.6%	5.9%	5.0%
NON-CLASSIFIABLE	0.4%	0.4%	1.1%
TOTAL EMPLOYEES	15,186	61,456	5,680,903
ANNUAL UNEMPLOYMENT RATE			
2000	NA	4.2%	3.7%
2001	NA	5.7%	5.2%
2002	NA	6.6%	6.2%
2003	NA	7.6%	7.1%
2004	NA	7.9%	7.0%
2005	NA	7.2%	6.8%
2006	NA	7.2%	6.9%
2007		7.5%	7.2%
MEDIAN HOUSEHOLD EFFECTIVE BUYING INCOME 2007			
	\$25,151	\$30,484	\$41,752
ECONOMIC DENSITIES 2007			
TOTAL BUSINESSES PER SQUARE MILE	1,405.1	121.0	7.1
RETAIL BUSINESSES PER SQUARE MILE	225.0	22.0	1.4
EMPLOYEES PER SQUARE MILE	29,718.2	2,533.1	100.0
RESIDENTIAL MULTI-UNIT BUILDING PERMITS BY DECADE (5+ UNITS PER BUILDING)			
2000 TO 2006 (UNITS)	NA	227	46,563
1990 TO 1999 (UNITS)	NA	475	65,592
1980 TO 1989 (UNITS)	NA	3,052	106,921

Source: Claritas, Inc.; Department of Labor, Bureau of Labor Statistics; socds.huduser.org – Building Permit Database

Table continued

TOP 10 EMPLOYERS WITHIN ONE MILE OF DOWNTOWN STUDY AREA	NUMBER OF EMPLOYEES	TYPE OF BUSINESS
1. CHILDREN'S HOSPITAL	4,000	HOSPITAL
2. BRONSON METHODIST HOSPITAL	3,000	HOSPITAL
3. RADISSON HOTEL	600	HOTEL
4. ARVCO CONTAINERS	500	FOAM PRODUCTS MAKER
5. BRONSON BIRTHPLACE HOSPITAL	433	HOSPITAL
6. KALAMAZOO GAZETTE	380	NEWSPAPER PUBLISHER
7. CHILD ABUSE SERVICES	350	FAMILY SERVICES
8. KALAMAZOO COLLEGE	344	COLLEGE
9. VISITING NURSES ASSOCIATION	250	NURSING SERVICES
10. HUMAN SERVICES DEPARTMENT	250	HUMAN SERVICES

Source: 2007 InfoUSA Business Database

Noteworthy observations and trends for the Kalamazoo DSA include the following:

- In 2007 15,186 people worked within the DSA, representing 19.8% of all workers within the city.
- In 2007 the industry with the most employees within the DSA was Services at 70.5%.
- In 2007 white-collar employment within the DSA (54.9%) was similar to the remainder of the city (57.8%) and the state (56.9%).
- From 2000 to 2007, the unemployment rate for Kalamazoo has been similar to the state rate, while increasing from 3.8% to 7.5%. In 2007 the unemployment rate for Kalamazoo was 7.5%, compared to the state's 7.2%
- In 2007 the median household effective buying income within the DSA (\$25,151) was below the remainder of the city (\$30,484) and much below the state (\$41,752).
- On a citywide basis, the number of residential permits issued for units in buildings with five or more dwellings decreased over the last three decades. Permits for multi-unit buildings (five or more units) issued during the 1990s decreased 84.4% from those issued during the 1980s. The same type permits issued during the 2000s (adjusted for a full decade) decreased 31.8% from those issued during the 1990s. Since 2000, an average of 32 multi-unit building permits per year were issued citywide; down from 305 per year during the 1980s.

- Within 1.0 mile of the DSA, the largest employer is Children's Hospital with 4,000 employees. The 10 largest employers within 1.0 mile of the DSA employ a total of 10,107 people. Within the DSA, 15,186 people are employed, yielding an "Employment per DSA Resident" ratio of 14.2 to one (based on 2007 estimates).

Demographic Summary

Resident households within the Kalamazoo DSA typically are childless, unmarried adults (34 year median age) who either live alone or with a roommate/partner, are only high school and college educated (50-50), earn an average of \$28,000 per year, and rent their residence. The largest Lifestage Group is *Sustaining Seniors*. Males and females are evenly divided. After growing in the 1990s, the DSA population is projected to decrease from 2000 to 2012 with household growth increasing slightly. Only 1.5% of the city's population is projected to live within the DSA in 2007. Population density is below average for DSAs in this study, while daytime population is well above average. It is estimated that in 2007 student households comprise 25.2% of all Kalamazoo DSA households. The University of Western Michigan clearly impacts the demographics and housing of downtown Kalamazoo.

The number of total housing units within the DSA is projected to increase from 2000 to 2012, however, so is the vacancy rate. Only 1.6% of the city's total housing units are projected to be within the DSA. There are many more renters than owners, and many of those renting pay over 30% of their income for housing. Housing units are denser (more units per building) and smaller within the DSA than the remainder of the city. The typical housing unit within the DSA has two bedrooms and is in a multi-unit building. DSA owners pay more per month for housing than the state average, while renters pay slightly less than the state average. Owner-occupied units are older than renter-occupied units. Median home values are increasing within the DSA, and are higher than the remainder of the city and the state. Residency length is shorter within the DSA, and annual turnover rates (renters and owners) are higher within the DSA than the remainder of the city or the state. DSA residents are more transient.

Crime indices within the DSA are higher than the rest of the city and the state. Property crime indices are higher than personal crime indices within the DSA. Transportation data indicates that DSA residents/households drive less often to work and have shorter commuting times than their counterparts outside the DSA.

Children's Hospital and Bronson Methodist Hospital most heavily influence employment in and near the DSA. Only three of the largest 10 employers within 1.0 mile of the DSA are private for-profit businesses. Most employment is white-collar (54.9%) with 92.5% of jobs falling within Service, Retail, Government, and Finance/Insurance/Real Estate industries.

Unemployment citywide has increased since 2000, and is slightly above the state rate. Building permits for residential dwellings in multi-unit buildings have decreased citywide over the past 27 years, indicating a long-term softening of the multi-unit housing market. Economic densities for the DSA are well above the remainder of the city, and are well above average for DSAs in this study.

3. **MULTI-UNIT HOUSING SUPPLY ANALYSIS**

Demographic Housing Supply Overview

According to the U.S. Census, the distribution of housing stock by tenure and occupancy within the Kalamazoo DSA for 2000, 2007 (estimated), and 2012 (projected) is summarized in the following table:

HOUSING TYPE	2000 CENSUS		2007 (ESTIMATED)		2012 (PROJECTED)	
	HOUSING UNITS	PERCENT	HOUSING UNITS	PERCENT	HOUSING UNITS	PERCENT
TOTAL OCCUPIED	430	90.5%	435	86.8%	438	83.4%
OWNER-OCCUPIED	43	10.0%	44	10.1%	44	10.0%
RENTER-OCCUPIED	387	90.0%	391	89.9%	394	90.0%
VACANT	45	9.5%	66	13.2%	87	16.6%
TOTAL	475	100.0%	501	100.0%	525	100.0%

Source: 2000 Census; Claritas, Inc.; VWB Research

For all three years (2000, 2007, and 2012), renter-occupied housing units outnumber owner-occupied housing units by nine to one.

Demographic housing trends indicate the total number of housing units within the DSA was projected to increase by 50, or 10.5%, from 2000 to 2012, while the vacancy rate for all housing units was projected to increase from 9.5% to 16.6% during the same 12-year period.

The following table shows the distribution of occupied housing units in the DSA by structure type (type = units per building) in 2000:

HOUSING UNITS BY STRUCTURE TYPE (2000 CENSUS)	NUMBER OF UNITS	PERCENT
SINGLE-UNIT	48	10.1%
LOW-DENSITY MULTI-UNIT (2 TO 19 UNITS PER BUILDING)	256	53.9%
MEDIUM-DENSITY MULTI-UNIT (20 TO 49 UNITS PER BUILDING)	32	6.7%
HIGH-DENSITY MULTI-UNIT (50+ UNITS PER BUILDING)	135	28.4%
OTHER (TRAILER/BOAT/RV/VAN/ETC.)	4	0.8%
TOTAL	475	100.0%

Source: U.S. Census Bureau; 2000 Census

The above table shows that most of the occupied housing units within the DSA were located in Low-Density Multi-Unit buildings (53.9%). Of all the occupied housing units within the DSA, 89.0% were located in Multi-Unit buildings, while only 10.1% were located in Single-Unit (one-family) buildings.

The following table presents selected housing characteristics by owner- and renter-occupied housing units for the DSA in 2000:

HOUSING CHARACTERISTIC IN YEAR 2000	OWNER-OCCUPIED HOUSING UNITS	RENTER-OCCUPIED HOUSING UNITS
AVERAGE MONTHLY HOUSING PAYMENT	\$1,165	\$451
PERCENT WITH HOUSING PAYMENT GREATER THAN 30% OF INCOME	16.7%	38.4%
AVERAGE HOUSEHOLD SIZE	2.1	1.7
PERCENT MOVED-IN BETWEEN 1995 & 2000	67.4%	81.9%
ANNUAL TURNOVER RATE	31.6%	46.1%
AVERAGE NUMBER OF TOTAL ROOMS	6.1	3.7
AVERAGE NUMBER OF BEDROOMS	2.3	1.4
PERCENT BUILT BETWEEN 1990 & 2000	7.0%	0.0%
MEDIAN YEAR BUILT	<1939	1957

Source: U.S. Census Bureau; 2000 Census

Noteworthy observations above table about the DSA include

- Owner households paid 2.5 times more for housing than did renters.
- Between 1995 and 2000, 81% of renter households moved into the DSA, while 67% of owners moved in during that period.
- Owner-occupied units were much larger than renter-occupied units.
- Few owner units and no renter units were built during the 1990s.

Multi-Unit Rental Housing Supply Survey

We identified and surveyed nine multi-unit rental housing properties totaling 156 units within the Kalamazoo DSA that met the study's selection criteria (refer to Kalamazoo DSA Map using property Map I.D. numbers below). All nine properties are market-rate. A summary of the surveyed properties by type, unit count, and vacancy rate appears in the following table:

PROPERTY TYPE	PROPERTIES SURVEYED	TOTAL UNITS	VACANT UNITS	VACANCY RATE*
MARKET-RATE	9	156	2	1.3%
TOTAL	9	156	2	1.3%

*As of July 2007

The Kalamazoo DSA multi-unit rental market is performing very well with an overall multi-unit rental vacancy rate of 1.3%. The study's aggregate vacancy rate for all surveyed multi-unit rental housing properties in this study is 8.9%; indicating the Kalamazoo DSA has a lower vacancy rate than the study's aggregate average.

The following table summarizes key information for each multi-unit rental housing property surveyed within the DSA:

MAP I.D.	PROPERTY NAME	TYPE	YEAR BUILT/RENOVATED	UNITS	BUILDING STORIES	VACANCY RATE**	QUALITY RATING	NET RENT* RANGE
1	PENINSULA BUILDING	MRR	1918 / 1992	5	3	0.0%	B+	\$1,218 - \$1,424
2	CITY CENTRE LOFTS	MRR	2004	22	3	0.0%	A	\$1,131 - \$1,923
3	PEREGRINE TOWER	MRR	1910 / 2002	17	7	0.0%	A	\$1,100 - \$1,900
4	THE APTS. AT KALAMAZOO COMMONS	MRR	2006	17	2	0.0%	A	\$773 - \$1,414
5	OLD TOWNE COMMONS	MRR	1910 / 1970	12	3	0.0%	C+	\$375 - \$945
6	SKYRISE LUXURY APTS.	MRR	1983	55	21	0.0%	A	\$900 - \$1,480
7	HISTORIC APTS. – THE PRANGE BUILDING	MRR	1925 / 2002	14	4	0.0%	B+	\$495 - \$1,100
8	THE ROSENBAUM BUILDING	MRR	1935 / 2002	8	6	0.0%	A-	\$1,100 - \$3,500
9	DEVISSER PLACE	MRR	1900 / 2007	6	3	33.3%	A	\$2,000

*Net rent excludes all utilities except water, sewer, and trash removal.

**As of July 2007

From the above table, 62 units, or 39.7%, are in six older buildings that were renovated between 1970 and 2007, while the remaining 94 units, or 60.3%, are in three new buildings that were constructed between 1983 and 2006. The largest of the surveyed properties is Skyrise Luxury Apartments with 55 total units, while the smallest is The Peninsula Building with five total units. The average sized multi-unit rental property within the Kalamazoo DSA is 17 units.

Each surveyed rental property was rated on a scale of A through E, with A rated properties representing very high quality product that is upscale and luxurious, and E rated properties representing very low quality product that is in serious disrepair. All properties were rated on overall quality and appearance. Surveyed properties had quality ratings from A to C+, net monthly rents from \$375 to \$3,500, vacancy rates from 0.0% to 33.3%, and number of stories from two to 21.

The following table summarizes the breakdown of unit information by property type within the DSA:

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	VACANCY RATE*	MEDIAN NET RENT
STUDIO	1.0	5	3.2%	0	0.0%	\$495
ONE-BEDROOM	1.0	11	7.1%	0	0.0%	\$525
ONE-BEDROOM	1.5	4	2.6%	1	25.0%	\$1,325
ONE-BEDROOM	2.0	4	2.6%	0	0.0%	\$1,218
TWO-BEDROOM	1.0	9	5.8%	0	0.0%	\$750
TWO-BEDROOM	1.5	6	3.8%	1	16.7%	\$1,224
TWO-BEDROOM	2.0	97	62.2%	0	0.0%	\$1,480
THREE-BEDROOM	1.0	7	4.5%	0	0.0%	\$890
THREE-BEDROOM	1.5	6	3.8%	0	0.0%	\$964
THREE-BEDROOM	2.0	7	4.5%	0	0.0%	\$1,414
TOTAL MARKET-RATE		156	100.0%	2	1.3%	-

*As of July 2007

Of the 156 units that were surveyed, all were market-rate and two were vacant (1.3%). The most common unit type for all property types was a two-bedroom/two-bath floor plan (62.2%), while the least common unit types were a one-bedroom/1.5-bath and a one-bedroom/two-bath floor plan (2.6% each). The highest vacancy rate (25.0%) is in the one-bedroom/1.5-bath market-rate unit. Median net monthly rent values range from a low of \$495 for a studio/one-bath market-rate unit to a high of \$1,480 for a two-bedroom/two-bath market-rate unit.

The following table summarizes the average net monthly rent per square foot by bedroom type and unit design for the multi-unit rental properties surveyed within the DSA (note: garden units have all living areas on one floor, regardless of the number of stories in a building, while townhouse units have living areas on multiple floors):

BEDROOM TYPE	AVERAGE NET RENT PER SQUARE FOOT			
	MARKET-RATE		TAX CREDIT	
	GARDEN	TOWNHOUSE	GARDEN	TOWNHOUSE
STUDIO	\$1.16	-	-	-
ONE-BEDROOM	\$0.98	-	-	-
TWO-BEDROOM	\$0.94	-	-	-
THREE-BEDROOM	\$0.90	-	-	-

All surveyed rental units are garden-style floor plans with 81.4% served by elevators. The average net monthly rents per square foot range from a low of \$0.90 for a three-bedroom market-rate unit to a high of \$1.16 for a studio market-rate unit. All units are garden-style. Compared to aggregate averages in this study, the Kalamazoo DSA's average net monthly rents per square foot are lower.

The following table summarizes property counts, unit counts, vacancy rates, and median net monthly rents by quality rating and property type:

MARKET-RATE PROPERTIES				MEDIAN NET RENT			
QUALITY RATING	NUMBER	TOTAL UNITS	VACANCY RATE*	STUDIO	ONE-BR.	TWO-BR.	THREE-BR.
A	5	117	1.7%	-	\$1,131	\$1,480	\$964
A-	1	8	0.0%	-	\$1,100	\$1,000	\$1,500
B+	2	19	0.0%	\$495	\$1,218	\$950	\$890
C+	1	12	0.0%	\$375	\$440	\$635	\$945

*As of July 2007

As evidenced in the above table, no correlation exists between the quality of surveyed properties and their vacancy rates. However, the highest rated property is the only one with vacancies, and it does not have the highest net rents. Further, no correlation appears to exist between net monthly rents and quality ratings. However, the property with the lowest quality rating does have the lowest median net rents.

The following appliances were included in the surveyed rental units (frequency indicated by percentage of units):

- Range (100.0%)
- Refrigerator (100.0%)
- Icemaker (43.0%)
- Dishwasher (92.3%)
- Disposal (92.3%)
- Microwave (48.1%)

The following amenities were included in the surveyed rental units (frequency indicated by percentage of units):

- Air conditioning (central 92.3% / window 0.0%)
- Floor covering (100.0%)
- Washer/dryer machines (72.4%)
- Washer/dryer hook-ups (72.4%)
- Patio/deck/balcony (30.8%)
- Ceiling fan (49.4%)
- Intercom system (16.0%)
- Fireplace (14.1%)
- Window treatment (100.0%)

The following common amenities were included in the surveyed rental properties for use by residents (frequency indicated by percentage of units):

- On-site management (35.3%)
- Laundry facilities (27.6%)
- Meeting room (35.3%)
- Storage (3.9%)
- Elevator (81.4%)

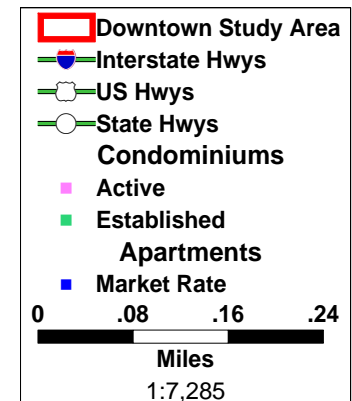
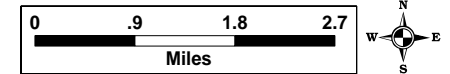
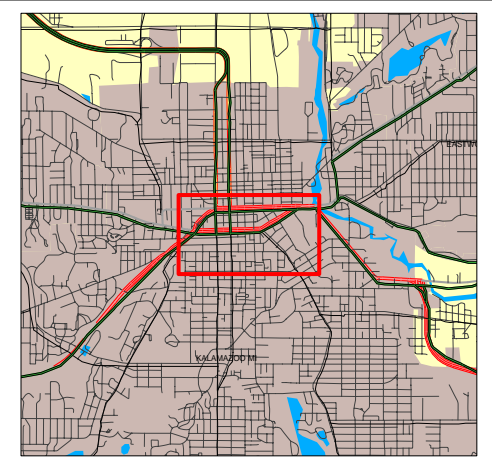
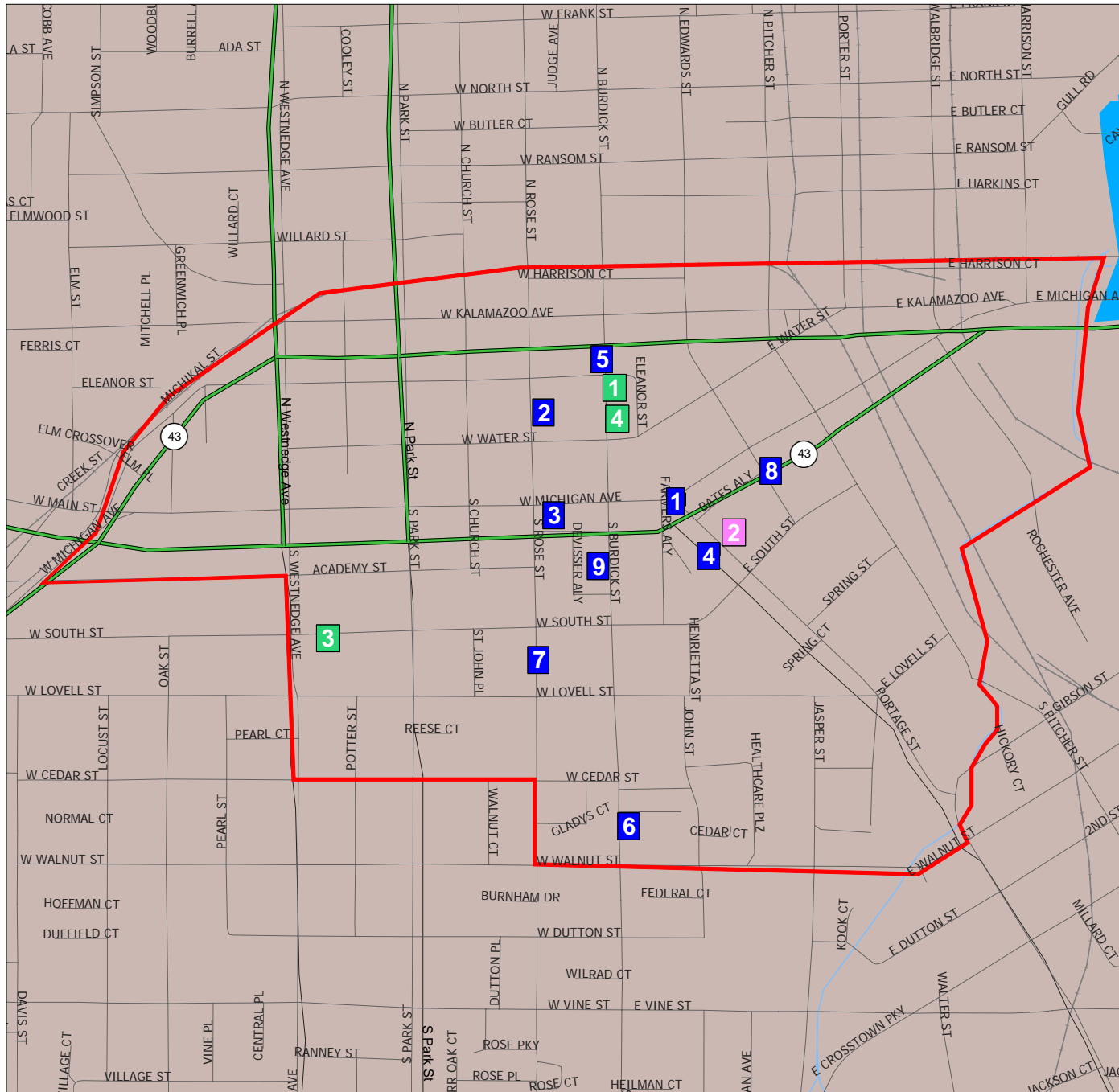
The following utility mix and payment responsibility were used in the surveyed rental properties (frequency indicated by percentages of units):

- Space heating (gas 64.7% / electric 35.3%; landlord 25.0% / tenant 75.0%)
- Cooking (electric 91.0% / gas 9.0%; tenant 100.0%)
- Water heating (gas 35.9% / electric 64.1%; tenant 100.0%)
- Other electric (tenant 100.0%)
- Water-sewer-trash (landlord 96.8% / tenant 3.2%)

An abbreviated field survey of all multi-unit rental properties in the Kalamazoo DSA is provided in the following pages. Properties have been color-coded to reflect type. The field survey is comprised of the following major elements:

- A colored-coded map indicating the location of each property surveyed.
- A list of properties surveyed with name, address, telephone number, contact person, photograph, property type, year built and renovated (if applicable), number of floors, total units, occupancy rate, quality rating, and presence of an elevator.
- Rent and unit information by property and number of bedrooms.

Kalamazoo, MI: DSA Boundary with Surveyed Properties



SURVEY OF RENTAL PROPERTIES - KALMAZOO, MI





1 Peninsula Building	
	<p>Address 200 E. Michigan Ave. Kalamazoo, MI 49007</p> <p>Year Built 1918 Renovated 1992</p> <p>Project Type Market-rate</p> <p>Comments Year built & renovation date estimated; First floor retail; Elevator</p> <p>Contact Janine Phone (269) 226-6336 (Contact by phone)</p> <p>Total Units 5 Vacancies 0 Occupied 100.0% Floors 3 Quality Rating B+ Waiting List 10 households</p>
2 City Centre Lofts	
	<p>Address 125 S. Kalamazoo Mall Kalamazoo, MI 49007</p> <p>Year Built 2004</p> <p>Project Type Market-rate</p> <p>Comments Planned condominium conversion 10/2007; \$45 per month for additional parking space; Elevator</p> <p>Contact Adam Phone (269) 492-1144 (Contact by phone)</p> <p>Total Units 22 Vacancies 0 Occupied 100.0% Floors 3 Quality Rating A Waiting List None</p>
3 Peregrine Tower	
	<p>Address 366 S. Burdick St. Kalamazoo, MI 49007</p> <p>Year Built 1910 Renovated 2002</p> <p>Project Type Market-rate</p> <p>Comments Year built estimated; Elevator</p> <p>Contact Janine Phone (269) 226-6336 (Contact by phone)</p> <p>Total Units 17 Vacancies 0 Occupied 100.0% Floors 7 Quality Rating A Waiting List 15 households</p>
4 The Apts. at Kalamazoo Commons	
	<p>Address 160 Portage St. Kalamazoo, MI 49007</p> <p>Year Built 2006</p> <p>Project Type Market-rate</p> <p>Comments First floor retail; Additional parking space \$45 per month; No elevator</p> <p>Contact Adam Phone (269) 492-1144 (Contact in person)</p> <p>Total Units 17 Vacancies 0 Occupied 100.0% Floors 2 Quality Rating A Waiting List 3 months</p>
5 Old Towne Commons	
	<p>Address 319 N. Burdick St. Kalamazoo, MI 49007</p> <p>Year Built 1910 Renovated 1970</p> <p>Project Type Market-rate</p> <p>Comments Year built, renovation date & square footage estimated; No elevator</p> <p>Contact Dave Phone (616) 388-8178 (Contact in person)</p> <p>Total Units 12 Vacancies 0 Occupied 100.0% Floors 3 Quality Rating C+ Waiting List None</p>

Market-rate
Market-rate/Tax Credit
Market-rate/Government-subsidized
Market-rate/Tax Credit/Government-subsidized
Tax Credit
Tax Credit/Government-subsidized
Government-subsidized

Surveyed - July 2007

VWB
vogtwilliamsbowen
RESEARCH

SURVEY OF RENTAL PROPERTIES - KALMAZOO, MI

6 Skyrise Luxury Apts.			
	Address	525 S. Burdick St. Kalamazoo, MI 49007	Contact Jason Phone (269) 345-3033 (Contact in person)
	Year Built	1983	
	Project Type	Market-rate	
	Comments	Originally built as condominiums; Government-subsidized, HUD Section 202 units excluded from mix; Elevator	
		Total Units	55
		Vacancies	0
		Occupied	100.0%
		Floors	21
		Quality Rating	A
		Waiting List	3-6 months
7 Historic Apts.-The Prange Building			
	Address	346 S. Rose St. Kalamazoo, MI 49007	Contact Dee Phone (269) 383-3006 (Contact by phone)
	Year Built	1925 Renovated 2002	
	Project Type	Market-rate	
	Comments	Year built estimated; First floor retail (vacant); Elevator	
		Total Units	14
		Vacancies	0
		Occupied	100.0%
		Floors	4
		Quality Rating	B+
		Waiting List	None
8 The Rosenbaum Building			
	Address	310 E. Michigan Ave. Kalamazoo, MI 49007	Contact Dee Phone (269) 383-3006 (Contact by phone)
	Year Built	1935 Renovated 2002	
	Project Type	Market-rate	
	Comments	Year built estimated; First floor retail; Elevator	
		Total Units	8
		Vacancies	0
		Occupied	100.0%
		Floors	6
		Quality Rating	A-
		Waiting List	None
9 DeVisser Place			
	Address	214 S. Kalamazoo Mall Kalamazoo, MI 49007	Contact Judy Phone (269) 344-8686 (Contact by phone)
	Year Built	1900 Renovated 2007	
	Project Type	Market-rate	
	Comments	Located above Gazelle Sports; Tenants tend to be corporate executives and spouses; Elevator	
		Total Units	6
		Vacancies	2
		Occupied	66.7%
		Floors	2,3
		Quality Rating	A
		Waiting List	None

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Surveyed - July 2007

VWRB
vogtwilliamsbown
RESEARCH

PRICE PER SQUARE FOOT - KALMAZOO, MI

STUDIO UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	NET RENT	\$ / SQ. FT.
5	Old Towne Commons	1	500	\$375	\$0.75
7	Historic Apts.-The Prange Building	1	300 to 600	\$495 to \$650	\$1.08 to \$1.65
ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	NET RENT	\$ / SQ. FT.
1	Peninsula Building	2	1100	\$1218	\$1.11
2	City Centre Lofts	1	1000	\$1131	\$1.13
3	Peregrine Tower	1.5	1105 to 1250	\$1100 to \$1325	\$1.00 to \$1.06
5	Old Towne Commons	1	550 to 600	\$440 to \$525	\$0.80 to \$0.88
6	Skyrise Luxury Apts.	2	920	\$900	\$0.98
8	The Rosenbaum Building	1 to 2	912 to 3000	\$1100 to \$1650	\$0.55 to \$1.21
9	DeVisser Place	1.5	1558	\$2000	\$1.28
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	NET RENT	\$ / SQ. FT.
1	Peninsula Building	1.5 to 2	1560 to 1650	\$1224 to \$1424	\$0.78 to \$0.86
2	City Centre Lofts	2	1250	\$1173 to \$1923	\$0.94 to \$1.54
3	Peregrine Tower	2	2000	\$1900	\$0.95
4	The Apts. at Kalamazoo Commons	1 to 1.5	700 to 1250	\$773 to \$1173	\$0.94 to \$1.10
5	Old Towne Commons	1	725	\$635 to \$650	\$0.88 to \$0.90
6	Skyrise Luxury Apts.	2	1177 to 1838	\$900 to \$1480	\$0.76 to \$0.81
7	Historic Apts.-The Prange Building	1	1000	\$750 to \$950	\$0.75 to \$0.95
8	The Rosenbaum Building	2	1203 to 1700	\$1000 to \$3500	\$0.83 to \$2.06
9	DeVisser Place	1.5 to 2	1558	\$2000	\$1.28
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	NET RENT	\$ / SQ. FT.
4	The Apts. at Kalamazoo Commons	1.5 to 2	1000 to 1500	\$964 to \$1414	\$0.94 to \$0.96
5	Old Towne Commons	1	900	\$945	\$1.05
7	Historic Apts.-The Prange Building	1	1200 to 1500	\$890 to \$1100	\$0.73 to \$0.74
8	The Rosenbaum Building	2	1400	\$1500	\$1.07

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Surveyed - July 2007

VWB
vogtwilliamsbowen
RESEARCH

MARKET RATE UNITS - KALMAZOO, MI

STUDIO UNITS					
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	COLLECTED RENT
5	Old Towne Commons	1	500	1	\$375
7	Historic Apts.-The Prange Building	4	300 - 600	1	\$495 - \$650
ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	COLLECTED RENT
5	Old Towne Commons	8	550 - 600	1	\$440 - \$525
6	Skyrise Luxury Apts.	1	920	2	\$920
3	Peregrine Tower	2	1105 - 1250	1.5	\$1100 - \$1325
8	The Rosenbaum Building	3	912 - 3000	1 - 2	\$1100 - \$1650
2	City Centre Lofts	2	1000	1	\$1200
1	Peninsula Building	1	1100	2	\$1200
9	DeVisser Place	2	1558	1.5	\$2000
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	COLLECTED RENT
5	Old Towne Commons	2	725	1	\$635 - \$650
7	Historic Apts.-The Prange Building	4	1000	1	\$750 - \$950
4	The Apts. at Kalamazoo Commons	5	700 - 1250	1 - 1.5	\$850 - \$1250
6	Skyrise Luxury Apts.	54	1177 - 1838	2	\$920 - \$1500
8	The Rosenbaum Building	4	1203 - 1700	2	\$1000 - \$3500
1	Peninsula Building	4	1560 - 1650	1.5 - 2	\$1200 - \$1400
2	City Centre Lofts	20	1250	2	\$1250 - \$2000
3	Peregrine Tower	15	2000	2	\$1900
9	DeVisser Place	4	1558	1.5 - 2	\$2000
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	COLLECTED RENT
7	Historic Apts.-The Prange Building	6	1200 - 1500	1	\$890 - \$1100
5	Old Towne Commons	1	900	1	\$945
4	The Apts. at Kalamazoo Commons	12	1000 - 1500	1.5 - 2	\$1050 - \$1500
8	The Rosenbaum Building	1	1400	2	\$1500

Surveyed - July 2007

VWB
vogtwilliamsbowen
RESEARCH

Multi-Unit Condominium Housing Supply Survey

We identified and surveyed four multi-unit condominium housing properties totaling 78 units within the Kalamazoo DSA that met the study's selection criteria. Of these surveyed properties, three are established (properties where all units have sold), and one is active (properties with unsold condominium product). The following table shows the status of the multi-unit condominium properties included in the field survey:

PROPERTY TYPE	NUMBER OF PROPERTIES	UNITS		
		TOTAL	SOLD	UNSOLD
ESTABLISHED	3	72	72	0
ACTIVE	1	6	5	1
TOTAL	4	78	77	1

There are a total of 72 units in the established properties that were sold between August 1989 and April 2007, and six units in the active properties. Of the active properties, five (83.3%) units have sold, while one (16.6%) unit remains unsold.

The following table summarizes the absorption trends by condominium property type within the DSA:

AVERAGE MONTHLY UNIT SALES	CONDOMINIUM PROPERTY TYPE			
	ESTABLISHED		ACTIVE	
	NUMBER	PERCENT	NUMBER	PERCENT
< 0.5	1	33.3%	1	100.0%
0.5 TO 0.9	1	33.3%	0	0.0%
1.0 TO 1.9	1	33.3%	0	0.0%
2.0 >	0	0.0%	0	0.0%
TOTAL	3	100.0%	1	100.0%

Since January 2000, a total of 64 condominium units sold. This is an average of 0.7 units monthly. The highest number of condominium units sold in any full year since 2000 was 2003 when 18 units sold. This translates into a monthly absorption of 1.5 units. In 2007, the monthly absorption rate through July was at one unit. Prior to 2000, 13 condominium units sold representing 16.9% of all sold units within the DSA through July 2007.

The following table details quality ratings, unit information, and sales data for each multi-unit condominium property surveyed within the DSA:

MAP I.D.	PROPERTY NAME	QUALITY RATING	TOTAL UNITS	SOLD UNITS	UNSOLD UNITS	AVERAGE INITIAL SALE PRICE	AVERAGE MONTHLY UNIT SALES	SALES PERIOD
1	230 NORTH	B+	10	10	0	\$143,372.00	0.8	4/06 to 4/07
2	INTERURBAN BUILDING	A-	6	5	1	\$225,000.00	0.3	12/05 to 7/07
3	MARLBOROUGH BUILDING	A	42	42	0	\$132,866.00	0.2	8/89 to 3/07
4	THE ARCADIA	B+	20	20	0	\$142,337.00	1.3	12/02 to 2/04
TOTAL / AVERAGE		A-	78	77	1	\$160,893.75	0.6*	

*Average weighted by sold units

Each surveyed condominium property was rated on a scale of A through E, with A rated properties representing very high quality product that is upscale and luxurious, and E rated properties representing very low quality product that is in serious disrepair. All properties were rated on overall quality and appearance. All surveyed properties received A and B ratings within the Kalamazoo DSA. The average quality rating for all surveyed properties was A-.

There are 78 condominium units in four properties, all are in older buildings that were renovated. The largest of the surveyed properties is The Marlborough Building with 42 total units, while the smallest is The Interurban Building with six total units. The average sized property is 20 units. The surveyed property with unsold units is The Interurban Building with one of six units available. Surveyed properties range in height from three to 4.5 stories.

The average sale prices at the established properties range from a low of \$132,866 at The Marlborough Building to a high of \$143,372 at 230 North. The DSA average weighted (by unit count) sale price for established properties is \$136,989. The average sale price at the active property, The Interurban Building, is \$225,000. The average weighted (by unit count) sale price for all surveyed condominium units in this study is \$202,723 for established properties and \$264,611 for active properties.

The surveyed property with the highest (fastest) absorption rate is The Arcadia with 1.3 sales per month, while the property with the lowest (slowest) rate is The Marlborough Building with 0.2 sales per month. The DSA average weighted (by sold units) absorption rate for all surveyed properties is 0.6 sales per month. This value is lower than the average weighted absorption rate for all surveyed condominium properties in this study, 2.1 sales per month.

The first condominium property within the DSA to be marketed was The Marlborough Building with the first sale being recorded in August 1989.

The following table lists the active condominium property within the DSA by unit type, number of stories, unit sizes, and sales pricing:

MAP ID	PROPERTY NAME	UNIT DESCRIPTION			BUILDING STORIES	SQUARE FEET	BASE SALES PRICE	PRICE PER SQUARE FOOT
		BR.	BATH	TYPE				
2	INTERURBAN BUILDING	2	2.0	GD-EL	3	1,100	\$225,000	\$204.55

Unit Type: LT=Loft; RN=Ranch; GD=Garden; TH=Townhouse; EL=Elevator; WU=Walk-up

The above table shows that the only unit available for sale is a two-bedroom/two-bath floor plan at 1,100 square feet in The Interurban Building. The base sale price is \$225,000.

The following two tables show the distribution of sold and unsold units in active property by sale price, unit type, and sales rate (absorption):

AVERAGE SALE PRICE	TOTAL UNITS	SOLD UNITS	AVERAGE MONTHLY UNIT SALES*
\$200,000 - \$299,999	6	5	0.4
\$300,000 - \$399,999	0	0	0
\$400,000 - \$499,999	0	0	0
TOTALS/AVERAGE	6	5	0.4**

*Based on active sales period; active sales period extended to study cut-off date (July 2007).

**Average weighted by sold units

SALE PRICE RANGE	UNSOLD UNIT TYPE				TOTAL	
	GARDEN	LOFT	RANCH	TOWNHOUSE	NUMBER	PERCENT
\$200,000 - \$299,999	1	0	0	0	1	100.0%
\$300,000 <	0	0	0	0	0	0.0%
TOTAL	1	0	0	0	1	100.0%

The one unsold unit in the active property within the DSA is an elevator-served garden-style plan that costs \$225,000. The average weighted (by sold units) absorption rate for the active property is 0.4 sales per month

The following appliances are included in the surveyed active property units:

- None (buying shell only)

The following amenities are included in the surveyed active property units:

- None (buying shell only)

The following common amenities are included in the surveyed active properties for use by residents:

- Elevator

The following information relates to association fees in active property:

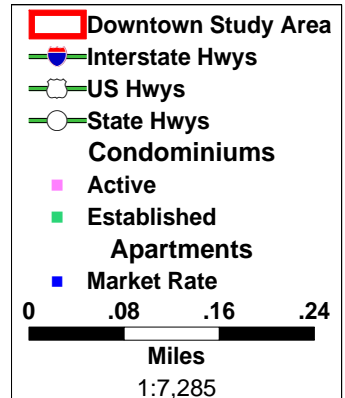
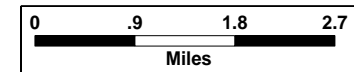
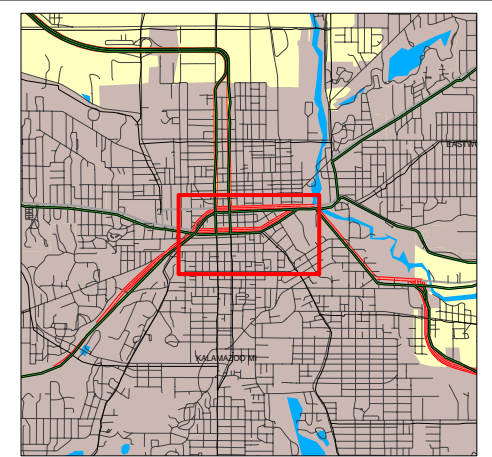
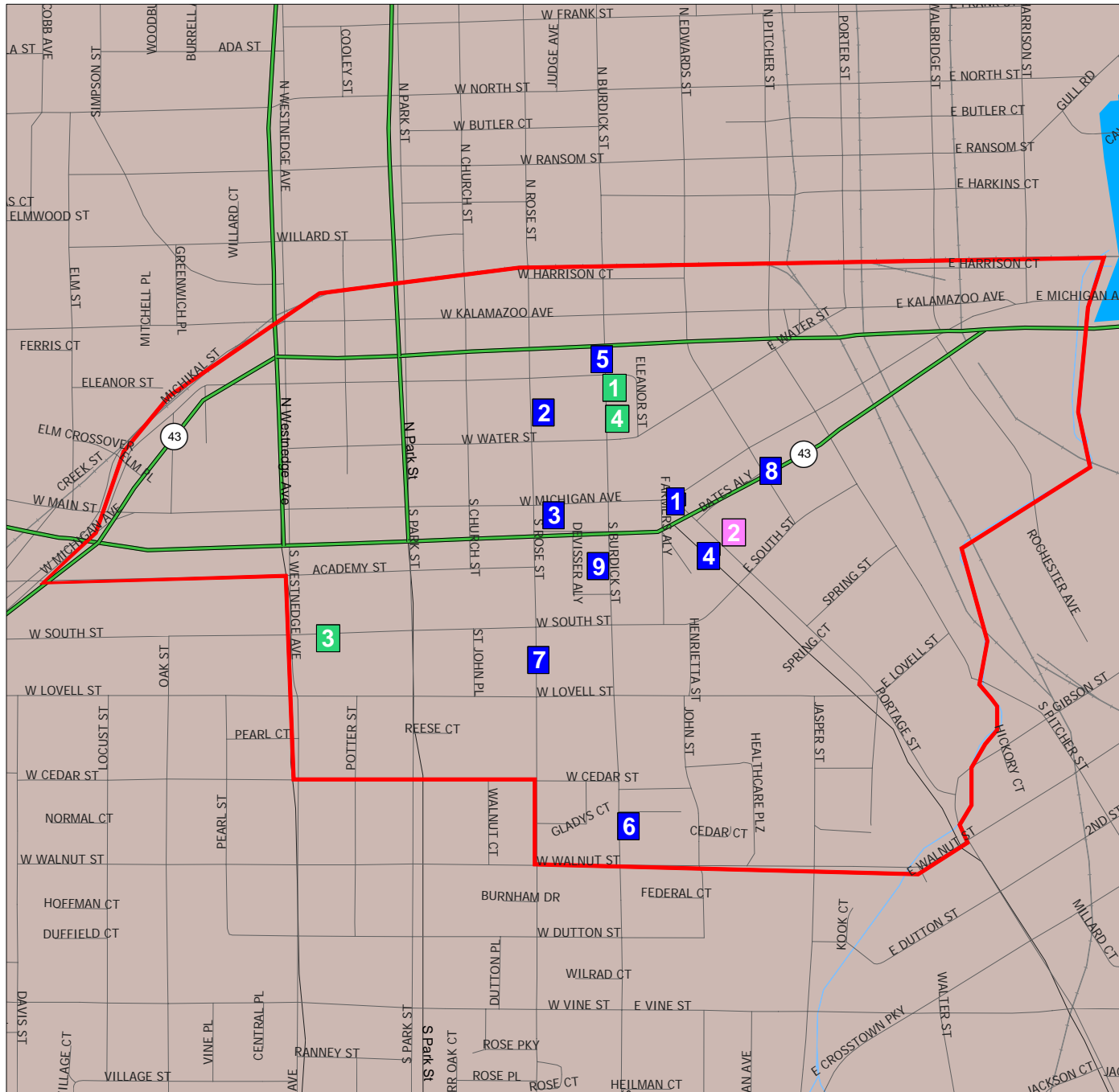
- Average monthly per unit fee: \$130
- Items covered by fees: landscaping, trash removal, snow removal, and paved area maintenance

Parking at The Interurban Building is as follows: all units receive one space in a detached conventional residential garage.



An abbreviated field survey of all multi-unit condominium properties in the Kalamazoo DSA is provided in the following pages. Properties have been color-coded to reflect type. The field survey is comprised of the following major elements:

- A colored-coded map indicating the location of each property surveyed.
- A list of properties surveyed with name, address, telephone number, contact person, photograph, property type (active or established), date of first and last sale, number of floors, total units, sales rate, units sold and unsold, and presence of an elevator.
- A summary of the number of properties surveyed, the aggregate number of units sold, and aggregate sales by year.
- A summary of active properties including unit descriptions, unit sizes, parking arrangements, price, and price per square foot.
- A list of active properties indicating sales by unit type.

Kalamazoo, MI: DSA Boundary with Surveyed Properties



SURVEY OF CONDOMINIUM PROPERTIES - KALAMAZOO, MI

1	230 North		Location 230 N. Kalamazoo Mall Kalamazoo, MI 49007	First Sale: 4/20/2006 Last Sale: 4/27/2007	Sales Rate* 0.8 Total Homes 10
			Developer 230 North Kalamazoo Mall, LLC Phone (269) 352-3054		
			Comments Formerly the Leather Home Furnishings building; Elevator		Floors 4
2	Interurban Building		Location 169 S. Portage St. Kalamazoo, MI 49007	First Sale: 12/23/2005 Last Sale: 1/2/2007	Sales Rate* 0.3 Total Homes 6
			Developer Kalamazoo Downtown Development, LLC Phone (269) 344-0795		Homes Sold 5
			Comments Monthly association fees estimated; Located above vacant commercial space; Elevator		Available Homes 1 Planned Homes 0 Floors 3
3	Marlborough Building		Location 471 W. South St. Kalamazoo, MI 49007	First Sale: 8/1/1989 Last Sale: 3/9/2007	Sales Rate* 0.2 Total Homes 42
			Developer The Marlborough, L.L.C. Phone (269) 345-5817		
			Comments Data based on last sales; Avg. sale price based on last 9 sales; Built 1923 as apt. building & converted to condos between 1980-2000; Detached garages in rear; Elevator		Floors 4.5
4	The Arcadia		Location 222 N. Kalamazoo Mall Kalamazoo, MI 49007	First Sale: 12/30/2002 Last Sale: 2/19/2004	Sales Rate* 1.3 Total Homes 20
			Developer S.W.B. Properties, LLC Phone		
			Comments No elevator		Floors 3

* Calculated based on active sales period. For active projects, active sales period extends to current month

 Active

 Established

Surveyed - July 2007

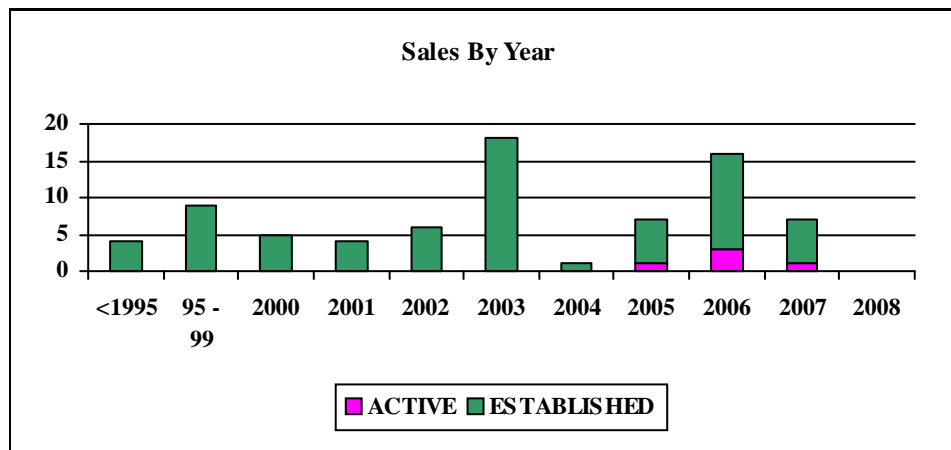
VWB
vogtwilliamsbowen
RESEARCH

STATUS OF PROJECTS SURVEYED - KALAMAZOO, MI

PROJECT STATUS	NUMBER OF PROJECTS	UNITS			
		TOTAL	SOLD	AVAILABLE	PLANNED
ACTIVE	1	6	5	1	0
ESTABLISHED	3	72	72	0	0
TOTAL	4	78	77	1	0
* Active totals include both sold-out and active phases. Established totals reflect projects that have sold out units in all phases.					

UNIT SALES BY YEAR - KALAMAZOO, MI

YEAR	UNITS SOLD		TOTAL SALES	AVERAGE MONTHLY SALES
	ESTABLISHED PHASES	ACTIVE PHASES		
< 1995	4	0	4	
1995 - 1999	9	0	9	0.8
2000	5	0	5	0.4
2001	4	0	4	0.3
2002	6	0	6	0.5
2003	18	0	18	1.5
2004	1	0	1	0.1
2005	6	1	7	0.6
2006	13	3	16	1.3
2007	6	1	7	1.0
TOTAL	72	5	77	0.7 *
* - AVERAGE MONTHLY SALES FROM 2000 TO 2006				



Surveyed - July 2007

PRICE ANALYSIS - KALAMAZOO, MI

MAP ID	PROJECT NAME	UNIT DESCRIPTION				SQUARE FEET	PRICE	PRICE PER SQUARE FOOT
		BR	BATHS	STYLE	PARKING			
2	Interurban Building	2	2	GARDEN ELEVATOR	D / 1	1000 TO 1200	\$200,000 - \$250,000	\$200.00 TO \$208.33

 Active
 Established

PARKING
 A - Attached C - Carport
 D - Detached L - Lot/Surface
 G - Parking Garage

Surveyed - July 2007


 vogtwilliamsbowen
 RESEARCH

UNIT ANALYSIS - KALAMAZOO, MI

MAP ID	PROJECT NAME	UNIT DESCRIPTION			SALES INFORMATION			PERCENT SOLD
		BEDROOMS	BATHS	STYLE	TOTAL AVAILABLE	PLANNED		
2	Interurban Building	2	2	GARDEN ELEVATOR	6	1	0	83.3%
					6	1	0	83.3% *
* - AMONG UNITS AVAILABLE OR UNDER CONSTRUCTION								

 Active
 Established

Surveyed - July 2007

VWB
 vogtwilliamsbowen
 RESEARCH

Planned Multi-Unit Developments

According to city building and planning officials, there were no multi-unit housing properties pending city approvals that had not started construction by July 2007 (study cut-off date) within the Kalamazoo DSA.

Summary

From our research and field survey, the following table summarizes the multi-unit housing supply within the Kalamazoo DSA that met the study's selection criteria:

PROPERTY TYPE	PROPERTIES				UNITS			
	PLANNED	BEING BUILT	BUILT	TOTAL	PLANNED	BEING BUILT	BUILT	TOTAL
RENTAL	0	0	9	9	0	0	156	156
CONDOMINIUM	0	0	4	4	0	0	78	78
TOTAL	0	0	13	13	0	0	234	234

Combined, there are a total of 13 multi-unit housing properties planned, being built, or built in the Kalamazoo DSA representing 234 total units. Of these 234 units, none are planned, none are being built, and 234 (100.0%) are built.